



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

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STATEMENT of SCOPE of a PROPOSED RULE

Regarding Section Ins 15, Wis. Adm. Code, relating to the regulation of warranty plans and the financial requirements for these plans.

(a) A statement of the objective of the proposed rule:

The proposed rule would consider changes in the financial requirements, the applicable statutes and other requirements for warranty plans issued in Wisconsin and warranty plan administrators.

(b) A description of existing policies relevant to the rule and of new policies proposed to be included in the rule and an analysis of policy alternatives:

The current rule requires independent audits for the financial statement submitted by a warranty plan. This is difficult for entities that are part of a larger organization and requires a separate statement from the consolidated statement. In addition, the actual or alternative financial requirements will be reviewed. The entire rule will be reviewed to determine if other changes in the regulation would be appropriate such as subjecting these plans to additional insurance statutes that are currently not listed in the rule.

(c) A statement of the statutory authority for the rule:

Sections 600.01 (1) (b) 5., 601.04 (2), (3) and (4) and 600.03(25) (a), Stats.

(d) An estimate of the amount of time that state employees will spend to develop the rule and a description of other resources necessary to develop the rule:

100 hours

This Statement of Scope of a Proposed Rule is prepared under s. 227.135, Stats., and approved on March 15, 2001.

Connie L. O'Connell
Commissioner